



Rural Downtown Economic Development Grants

The Rural Economic Development Division, as authorized under N.C.G.S 143B-472.127, administers grants to local government units awarded by the Rural Infrastructure Authority to support downtown revitalization/economic development activity. The program gives priority to projects located in the 80 most distressed counties in the state, and local units of government working with the Rural Economic Development Division's NC Main Street & Rural Planning Center.

I. PROGRAM CATEGORY

RURAL DOWNTOWN ECONOMIC DEVELOPMENT:

The purpose of the program is to support downtown revitalization and economic development initiatives that are intended to help local governments grow and leverage downtown districts as assets for economic growth, economic development, and prosperity.

This program will support projects that:

- Provide **public improvements that help retain businesses** and attract customers to business districts.
- Support publicly owned **downtown economic development** initiatives that leverage main streets and downtown districts as economic engines.
- Facilitate **publicly owned building improvements** that are used for community-wide uses or mixed-use development in or on properties that are publicly owned and controlled.

II. HOW TO APPLY

ELIGIBLE APPLICANTS & PROJECTS:

Eligible applicants are units of local government located in Tier 1 or Tier 2 counties, and rural census tracts in Tier 3 counties. For the purposes of this program, units of local government are defined as municipal or county governments within the state of North Carolina.

Eligible projects are located in the downtown or central business district within [Tier 1 and Tier 2 Counties](#), and [Rural Census Tracts in Tier 3 Counties](#), are eligible for funding. A rural census tract* is an area having a population density of less than 500 people per square mile in accordance with the most recent decennial federal census.

FUNDING AVAILABILITY:

The potential funding available for each project will be assessed through analysis of the project and will be based upon the project's location in the downtown district, its community-wide use, the anticipated economic impact of the project, and at the discretion of the Rural Infrastructure Authority.



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The maximum grant amount is \$850,000 per grantee and may not exceed \$12,500 per projected job created or retained. There is no minimum grant amount. Applicants should consider feasibility as it relates to the overall cost of any project. Grant administration costs are limited to five percent (5%) of the awarded grant total. No costs incurred prior to grant awards are eligible for reimbursement.

Projects that meet the criteria below may receive the highest priority consideration:

- Located in a Tier 1 or Tier 2 county.
- Working with the NC Main Street & Rural Planning Center in one or more of the following capacities:
 - Designated as a NC Main Street or Small-Town Main Street community,
 - Engaged with the NC Rural Planning Program on Strategic Economic Development Planning or the Community Economic Resiliency and Recovery Initiative (CERRI)
 - Selected to participate in the Rural Community Capacity (RC2) program,
 - Awarded Rural Transformation Grant Funds (RTGF) for a project in a downtown district.
 - OR selected to participate in the Creating Outdoor Recreation Economies (CORE) program

ELIGIBLE ACTIVITIES:

Projects funded under the Rural Downtown Economic Development Category may include the following types of activities:

Category	Description
Public Infrastructure	Improvements to publicly owned infrastructure in a downtown district, that serve a community-wide use, such as lots, alleys, streetscapes, waterfront developments, and parks. *Parking lot projects are NOT eligible.
Public Buildings (Renovation or Additions)	Improvements to publicly owned buildings in a downtown district that serve a public, community-wide use, such as a community center, theater, civic center, recreation center, or library. *New construction projects are NOT eligible.
Mixed-Use Downtown Development (Renovation or Additions)	Improvements to publicly owned property in a downtown district that may be zoned and developed for a mix of uses. The mix of uses may include two or more of the following: retail, restaurant, service, professional, nonprofit, governmental, institutional, or residential. *New construction projects are NOT eligible.



III. MATCH REQUIREMENTS

- A cash match equivalent to at least 5% of the grant amount is required for all projects.
- The cash match shall come from local resources and may not be derived from other State or Federal grant funds.
- Costs that are ineligible for grant funding may not be considered for the match. The only exception is paid grant administration when paid to an organization separate from the applicant organization.
- In-kind match is not allowable.

IV. APPLICATION PROCESS

Units of local government seeking funds from the Rural Downtown Economic Development Grant category are required to submit a formal application to the North Carolina Department of Commerce through the online grants management portal, [Rural Connect Portal](#).

A full and complete application, including all necessary supporting documentation, should be submitted by **5:00 p.m. on January 7, 2027**.

Applicants will be notified in writing if their project has been awarded. Following the award, the Rural Economic Development Division will provide grantees with grant administration contracts to execute the terms of the grant. Projects must be completed within 36 months of the award.

V. APPLICATION REQUIREMENTS

DEFINE THE PROJECT AREA:

Clearly and fully describe the scope of the project area.

- Description should identify the local government where the proposed project will take place.
- Identify the qualified census tract and the NC Department of Commerce County tier designation.
- Attach detailed color maps or schematics that show the project area. This may include diagrams of building sites, and floorplans of buildings to be improved.
- On the map, clearly identify any properties listed on the National Register of Historic Places, National Register Districts, downtown district boundaries, neighborhood boundaries, etc. that are in the project area. For projects involving National Register properties, review by the State Historic Preservation Office must be completed before a grant can be awarded, though an application may be submitted prior to completing the SHPO process.
- Include details, such as linear feet to be constructed, square footage, acreage served, and timelines for starting and completing each component.



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- Please attach any historical and current photographs that are pertinent to the project area.

DESCRIBE THE SCOPE OF THE PROPOSED PROJECT

Provide a detailed work plan that includes a description of all major project activities. Describe in detail how the anticipated investments will promote economic vitality in the project area.

- Include a detailed description of all programs, services, or capital expenditures.
- Include a detailed description of all major construction components.

DESCRIBE THE PROJECT TIMELINE:

Please provide a timeline that includes a description of all major project activities.

DESCRIBE THE PROJECT TEAM:

Demonstrate the ability for the project team to undertake/accomplish the proposed scope of work including, but not limited to, the project teams' qualifications and experience managing sizeable grants and state/federal awards; familiarity with state/federal grant regulations; and organizational policies, procedures, and systems. The project team is defined as local government staff, grant administrators, and any consultants under contract at the time of application that are needed to complete the project.

DESCRIBE THE ANTICIPATED OUTCOMES

Identify the anticipated outcomes that will result in improved economic impacts, as a direct result of the project.

- Outcomes must include projected Job Creation and/or Retention. This may include employees of private businesses reasonably anticipated to benefit from the project. As noted above, no grant shall be awarded more than \$12,500 per job reasonably anticipated to be retained as a result of the project. Reasonably anticipated jobs must be accounted for.
- Outcomes could include but are not limited to the amount of linear feet of streetscape improvements, number of small businesses improved/assisted, number of households improved, number of publicly owned properties improved.

DESCRIBE THE PROJECT SUSTAINABILITY

Describe the commitment of the proposed project's stakeholders/partners to sustaining activities and impacts beyond this investment. Describe if this project will provide long-term sustainability in your community.

VI. COMPLIANCE REQUIREMENTS

Administration of awards is also subject to the same regulations, restrictions, and requirements as other state awards. These include but are not limited to [09 NCAC 03M](#):



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- **Single Audit Requirement** - Grantees must comply with [09 NCAC 03M .0205\(a\)\(3\) and \(b\)\(4\)](#).
- **Environmental Review** - Grantees are required to comply with the requirements of the [NC State Environmental Policy Act](#).
- Awards will be contingent upon completion and compliance of Environmental Review (ER). The ER form should be included as an attachment to be considered for the final grant award.
- **Labor Standards** - Grantees will be encouraged to adhere to strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions. They should prioritize in their procurements procedures employers with high labor standards and prioritize employers without recent violations of federal and state labor and employment laws. Grantees should consider the alternatives of improving existing capital assets already owned or leasing other capital assets.
- **Conflict of Interest** - The following people or their immediate family members shall not have any direct or indirect financial interest in any contract, subcontract, or the proceeds thereof for work to be performed in connection with the grant during their tenure or for one year thereafter: (1) employees or agents of the recipient who exercise any function or responsibility for the project, and (2) officials of the recipient including members of the governing body.

VII. PROCUREMENT

The grantee must have a written Procurement Policy that meets the requirements specified in [09 NCAC 03M](#). The procurement procedures must reflect applicable State and local laws, should promote free and open competition, and describe efforts to encourage minority and female owned businesses to submit bids/proposals. Grantees must contract for the procurement of goods, services, and construction projects.

Grantees must enter procurement solicitation for any contract over \$50,000 in the NC Department of Administration's [Purchase and Contract Division](#) as well as provide the information to the Rural Economic Development Division Compliance Office. All notices must be posted at least three days before the procurement process begins. Only the local government is allowed to post solicitation documents electronically.



VIII. MONITORING

The Rural Economic Development Division will monitor the project through mechanisms, including review of annual reports received from the grant recipient, through phone/email/letter correspondence, through receipt of all published press articles about the project as provided to the Division by the local government, and through on-site monitoring visits.

Division staff will notify the grantee at least 30 days before on-site monitoring visits and the monitoring forms are located on the website. Complete the monitoring forms per the approved application activities and have the prepared forms ready for the monitoring visit. Any performance findings or administrative concerns resulting from the monitoring review must be mutually resolved before a grant can be formally closed.

IX. REPORTING REQUIREMENTS

Division staff will provide grantees with detailed reporting requirements when a project grant agreement is issued.

X. LOCAL GOVERNMENT ROLES AND RESPONSIBILITIES

The local government is responsible for managing the day-to-day operations of the activities funded by the Rural Downtown Economic Development Grant to ensure the funds are used in accordance with all program requirements and written agreements and taking action when performance problems arise. Specifically, the local government is responsible for the following:

- **Management and Oversight:** The elected officials are legally, financially, contractually, and programmatically responsible for the project. The local government is responsible to the State of North Carolina even if they have a contract administrator or sub-recipient relationship.
- **Financial Management:** The local government must ensure proper accounting of funds to avoid disallowed costs. This includes accurate identification of project costs and cash balances and proper internal controls.
- **Statement of Assurances and Certifications:** The local government elected officials and administrators should read and understand these documents and the implementation obligations.
- **Grant Agreement:** If awarded, the local government will receive a grant agreement and funding approval from the State. These documents are contractually binding and cannot be changed without State approval.
- **Site Control** – If a grant is awarded, the local government will be required to maintain control of the project site for five (5) years following the end of the grant agreement term.



XI. PROJECT AMENDMENTS, BUDGET AMENDMENTS AND BUDGET REVISIONS

When making any change to the approved application, grantees should contact the representative assigned to the grant to discuss the proposed changes. The representative will assist the grantee with the program amendment, budget amendment, and/or budget revision process.

When changing activities or scope of the project, the environmental review record must be updated. After revisions, the environmental review must be submitted to the Main Street Grants Administrator.

XII. FINANCIAL MANAGEMENT REQUIREMENTS

Division staff will monitor the grantee to determine compliance with the financial management requirements. The review will determine if records are maintained in compliance with the State of North Carolina requirements. This monitoring is performed through a desktop audit and at least one on-site visit. Typically, ledgers, invoices, canceled checks, bank statements and requisitions are reviewed to see that the grantee has an adequate system of financial management. Division staff may also make specific requests to review information or documentation relating to financial management of a grant.

XIII. RECORD KEEPING REQUIREMENTS

If awarded, grantees must provide access to all records. Records must be retained for 5 years after the Rural Downtown Economic Development Grant closes. Records must comply with the State requirements.

XIV. CONTRACTING WITH SMALL AND MINORITY-OWNED BUSINESSES, WOMEN AND VETERAN OWNED BUSINESSES, AND LABOR SURPLUS AREA FIRMS

Grantees must ensure actions are taken to use minority businesses, women and veteran owned businesses, and labor surplus area firms when possible.

XV. USE OF NC LICENSED PROFESSIONALS

While not mandatory, the Rural Division strongly recommends the use of North Carolina licensed professionals on construction projects. This includes inspectors, electricians, HVAC installers and repairers, plumbers, and general contractors. However, it is important to note that bids and dwellings that are \$40,000 and greater can ONLY BE ACCEPTED BY A LICENSED GENERAL CONTRACTOR, licensed by the [State of North Carolina per Article 1 of Chapter 87 of the General Statute](#).



XVI. OTHER REQUIREMENTS AND ATTACHMENTS

Recipients will also be required to comply with any subsequent requirements issued by the Division. Consult the Required Attachments section in the application. Please note that if key items are not submitted with the application, they will be returned to the local government.

XVII. APPLICATION CHECKLIST

Applicants should review the Grant Application Checklist to verify the information and documentation needed to apply for funds.

1. Local Government Information

- Local Government name
- Local Government contact name, title, telephone, address, email
- Federal Employer Identification Number
- Unique Entity ID

2. External Administrator Information (if applicable)

- Project Administrator name
- Project Administrator title, telephone, address, email

3. Project Information

- Project Title
- Project Description

4. Property Information (if applicable)

- Census Tract Number
- Property Address
- Legal Name of Property Owner
- Listed on the National Register of Historic Places?
- Month/Date/Year of Building/Lot Became Vacant (if applicable)
- Building Square Footage
- Lot Size
- Year Constructed
- Description of property's condition

5. Narrative Questions

Refer to section V. for details that should be included in the narrative answers.

ATTACHMENT CHECKLIST:

In addition to the above attachment requirements, also include:

- Define the Project Area
- Scope of Project Proposed
- Description of Project Team
- Local Resolution (can be combined with 5% match resolution)



**NC DEPARTMENT
of COMMERCE**
RURAL ECONOMIC
DEVELOPMENT

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- Local Resolution committing to a 5% match using local resources (can be combined with local resolution)
- Property Deed/Evidence of Site Control (local government – must maintain site control for 5 years following the end of the grant agreement term)
- Downtown Zoning Map highlighting the project area
- Environmental Review Form- Grantees are required to comply with the requirements of the NC State Environmental Policy Act. Awards will be contingent upon completion and compliance of Environmental Review (ER). The ER form should be included as an attachment to be considered for the final grant award.
- Environmental Review Correspondence – must be included as an attachment to be considered for the final grant award.
- Job Justification Spreadsheet – supplied in portal.
- Cost Estimates – must have professional cost estimates.
- Cost Estimate Spreadsheet – supplied in portal.
- Budget with matching funding sources identified. The budget should identify the required 5% local resource match.
- Project Timeline
- 10-Year Pro Forma (only needed for building construction projects)
- Architectural Renderings for Historic Rehabilitation
- Photos of project site

APPLICATION SUBMISSION

Applicants should submit the application package via the [Rural Connect Portal](#).

Liz Parham, Director, NC Main Street & Rural Planning Center

Questions, contact: Lisa Rueh, Main Street Grants Administrator

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